

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Assessment and Collection of Regulatory Fees)	MD Docket No. 17-134
for Fiscal Year 2017)	

***COMMENTS OF
ARSO RADIO CORPORATION***

Arso Radio Corporation (“ARSO”)¹ submits these comments in response to the Commission’s *Notice of Proposed Rulemaking*² (“*2017 NPRM*”) relative to the assessment of regulatory fees to broadcast licensees for Fiscal Year 2017.

The *2017 NPRM* invites comments, beginning at paragraph 19, regarding revised ratios and reduction of regulatory fees for the two lowest tiers of AM/FM Broadcasters from the 2016 Regulatory Fees, and that change is greatly appreciated and Arso endorses use of the revised ratios and proposed assessments using those ratios. However, it is Arso’s believe that the *2017 NPRM* does not go far enough in alleviating the hardship imposed upon small broadcasters, particularly in connection with the slotting of stations into population categories which have not been revised to reflect decreases in population, a matter which was brought to the attention of the Commission in connection with FY 2015 regulatory fees NPRM (the “*2015 NPRM*”) by a letter and petition filed by the Puerto Rico Broadcaster’s Association (“*PRBA Letter*”) on December 10, 2014, seeking

¹ Arso is an FCC licensee of 8 radio stations located in Puerto Rico, with affiliated companies serving as FCC licensee of another 7 radio stations.

² *Notice of Proposed Rulemaking* in MD Docket No.17-134 (rel. May 23, 2017)(“*Notice*” or “*NPRM*”)

regulatory fee relief for broadcasters in Puerto Rico.³ The *PRBA Letter* requested that the Commission take into consideration significant population declines and economic factors when determining the regulatory fees owed by radio station operators in Puerto Rico. The *PRBA Letter* cited numerous factors and reasons for the desired relief, and the *2015 NPRM* requested comment on the following proposals that would address the issue:

- (i) moving the Puerto Rico market stations to a different rate (*e.g.*, reducing them down to a lower population strata) because of the downward trend in the population and other factors;
- (ii) creating a separate fee category for the Puerto Rico market at a lower rate; or
- (iii) adopting a special provision in our rules for economically depressed geographic areas to seek a “fast track” waiver of regulatory fees.

Ultimately, the Commission chose, in the FY 2016 Regulatory Fee proceeding’s *Report and Order*⁴, to decline the *PRBA Letter* request and suggested that stations would be best served by seeking waiver requests or payment deferrals.⁵ Circumstances in Puerto Rico continue to spiral in a downward direction and population flight continues unabated, and if population adjustments aren’t made to stations’ tiers for regulatory fee purposes until after the 2020 Census results are released, it may be too late for some stations’ survival. Recognizing that the Commission’s hands may be tied as it relates to population adjustments, and the Commission’s previously stated position on the matter, perhaps adoption of a “fast track” waiver process for eligible geographic areas known to be

³ See Letter from Messrs. Francisco Montero, Esq. and Jonathan R. Markman, Esq., Counsel for the Puerto Rico Broadcasters Association, filed in Docket No. 14-92, to Marlene Dortch, Secretary, Federal Communications Commission (Dec. 10, 2014) (“*PRBA Letter*”)

⁴ *Report and Order* in MD Docket 16-166, released September 2, 2016. (the “*2016 Report & Order*”)

⁵ *2015 Report & Order*, at paragraph 36.

economically depressed (through an objective standard articulated by, for example, the OMB) is worthy of further consideration.

The current waiver or reduction request process is prescribed in 47 USC §159(d) and 47 CFR §1.1116 and requires “good cause shown” and a finding of the reduction/waiver as being in the “public interest”. The Commission’s rules currently require such requests to be accompanied by full payment of the prescribed regulatory fees, and while requiring a showing of “financial hardship” for waiver requests, the rules do not state the standards or showings necessary for reduction requests. Furthermore, since the only means to prosecute such a request is to make the full payment, absent a mechanism for “fast track” resolution of such requests by staff, such waiver/reduction requests offer no immediate relief to the radio broadcasters struggling to remain viable as historically, staff responses to such requests take months, if not longer, to be completed. Creating a “fast track” process could provide a solution to this issue without taxing Commission resources and personnel who already face force reduction challenges.

Conclusion

For the foregoing reasons, ARSO endorses the Commission's proposal in the 2017 NPRM to reduce the regulatory fee obligations in the two lowest population tiers and requests that the Commission consider further a "fast track" waiver process for economically disadvantaged communities to seek relief from the regulatory fee burden.

Respectfully Submitted



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